United Nations DP/CRR/ALG/1

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
20 July 2000

Original: English

Third regular session 2000
25-29 September 2000, New York
Item 9 of the provisional agenda
Country cooperation frameworks and related matters

Country review report for Algeria*

Contents

		Paragraphs	Page
	Introduction	1	2
I.	The national context	2	2
II.	The country cooperation framework	3–5	2
III.	Programme performance	6–14	2
IV.	Programme management	15–38	4
Annex			
	Financial summary		7

* The present report contains a summary of the findings of the review. The full text is available in the language of submission from the Executive Board secretariat.

00-55037 (E) 120900

Introduction

1. The country review of the first country cooperation framework (CCF) for Algeria was held during October and November 1999. The present report contains a summary of the findings of the review. The findings for programme performance and programme management are grouped by priority areas, each presenting the conclusions, corresponding recommendations and actions agreed on by UNDP and the Government.

I. The national context

2. The country review covers the first two years of the country cooperation framework between the Government of Algeria and UNDP. The programme is based on Algeria's pursuit of socio-economic reform, launched in 1988, the introduction of a market economy and measures against unemployment. Environmental preservation is also one of the top priorities of the Government. The programme is designed to strengthen the potential of national institutions to create appropriate strategies for biodiversity and climate change and to enhance the capacities of non-governmental organizations (NGOs). UNDP is also a partner in helping ministries to define sector strategies and in providing relevant technical assistance to implement and monitor programmes. The lack of a clear national strategy in certain sectors has contributed to delays in project implementation. Similarly, the prevailing local situation has made it difficult to identify international expertise. The absence of a team approach by two United Nations agencies rendered programme implementation even more difficult. With the growth of investment programmes and external capital flows to Algeria, UNDP financial contribution appears relatively modest. It is worth noting that the Government provides fifty per cent cost-shared for the CCF.

II. The country cooperation framework

3. The current CCF represents a sound and effective effort of cooperation between UNDP and the Government, whose strong sense of ownership and commitment underlies its three priority policy areas: socio-economic reforms, poverty alleviation and the environment.

4. As a result of local conditions, there has been no substantial change in the CCF since its launching. The country review recommends a one-year extension of the CCF through December 2001 to achieve the programme objectives. The Government and UNDP concur with the extension. The following results are expected to be attained by the end of the CCF period: (a) a restructuring programme for the Agence de promotion, de soutien et de suivi de l'investissement; (b) build-operate-transfer programmes for enterprises; (c) an assessment of the existing organization within the Ministry of Finance (Direction générale des impôts, Direction générale du trésor, Inspection générale des finances); (d) a privatization strategy; (e) the pilot privatization of four selected small- and medium-sized enterprises; (f) an administrative reform and public-control strategy; (g) an employment and vocational-training strategy; (h) a national strategy to assist the Government in its negotiations to join the World Trade Organization (WTO); (i) the setting up of an environment database; and (j) an environment strategy to combat industrial pollution.

5. The recommendation to extend the CCF period was made because, even if resources were sufficient, the objectives of the CCF could not be reached as a result of the delay in starting certain projects and in implementing the programme, set back by the complex national execution formula, and because a number of project objectives were not attained at the date of the mid-term review.

III. Programme performance

A. Support to socio-economic reforms

Conclusions

6. The country review recognized the importance of UNDP as a key actor in the socio-economic reforms undertaken by the Government. Many issues regarding the promotion of non-hydrocarbon exportations, the reform of public administration, the current negotiation process leading to Algeria's adhesion to WTO, and the reform of the financial system were integrated in the CCF in order to contribute to Algeria's move from a centralized to a market-oriented economy. Projects have also been designed to create an enabling

environment for sustainable human development (SHD) by strengthening the capacity of key governance institutions for people-centred development and by fostering social cohesion. The country review also recognized the value added of these projects towards the promotion of an efficient and accountable economy that serves all citizens. These projects have improved the visibility of decision makers regarding economic and strategic decisions. Nevertheless, it is important to clarify the impact of projects.

Recommendations

7. The country review has recommended consolidating and reinforcing those projects that have a high impact on the socio-economic reforms undertaken by the Government. It is important to organize tripartite reviews of the main projects dealing with privatization, restructuring and financial programmes. Likewise, the country review has also recommended continuing efforts to strengthen the public service through a programme of public-sector and banking reform, and providing assistance to the Government in its privatization programme and in negotiations regarding the adhesion of Algeria to WTO. The country review also urged the continuation of those projects that constitute a "best practice", such as the transfer of knowledge through expatriate nationals (TOKTEN) programme.

Agreed actions

8. Both partners agreed on the role played by UNDP as a main provider of technical cooperation in Algeria's socio-economic programme. The Government and UNDP also agreed to focus their cooperation in a way that will enhance the involvement of key partners and beneficiaries to better programme management and to reverse the delays incurred. The agencies involved are expected to cooperate to the best of their abilities to facilitate the execution of projects.

B. Poverty alleviation

Conclusion

9. In Algeria, the country office is a pioneer in poverty alleviation. The country review found that the efforts made to promote poverty-focused development and to reduce vulnerability were to be encouraged. Support to poverty-focused social protection mechanisms that address the consequences of social, economic and environmental transitions was deemed very important. Strengthening the capacity of the Government, vulnerable groups and NGOs was also taken into account in the poverty-alleviation projects initiated by UNDP. Some projects have contributed to the building up of national expertise in rural development and to the piloting of micro-credit projects to alleviate poverty. However, the gender issue, community-based development and the role of civil society were not sufficiently addressed within ongoing projects. Two important projects suffered from difficulties stemming from the execution methods of certain agencies.

Recommendations

10. The country review has recommended the continuation of support to the government programme of assistance to the most affected groups through pilot activities with civil-society organizations (CSOs). Activities will include job creation for youth, reduction in social marginalization and capacity-building for CSOs. A further recommendation stressed the need to give more importance to the coordination and closer involvement of United Nations agencies. The country review suggested a tripartite review for the employment programme and the further strengthening of the Ministry of Labour to ensure employment creation.

Agreed actions

11. UNDP and the Government agreed to organize ad hoc meetings to overcome coordination problems. The production of the national human development report (NHDR) must also continue on a regular basis.

C. Environmental management

Conclusions

12. Solid results have been achieved in the area of environment, including the establishment of geographic information systems (GIS), the strengthening of the laboratory for micro-pollutants, the furthering of environmental education, the preparation of a biodiversity strategy and the reinforcing of NGO capacity. The main projects implemented are related to: (a) the elaboration of a national strategy and action plan for the conservation and sustainable use of

biodiversity; (b) climate change; (c) the strengthening of NGO capacities to improve biodiversity conservation; (d) the fight against soil erosion and degradation; (e) the promotion of sustainable energy in Arab States; and (f) the strengthening of national capacities.

Recommendations

13. During project implementation, the country review recommended that particular attention be paid to all ongoing and future Global Environment Facility (GEF) or the United Nations Office to Combat Desertification and Drought (UNSO) funded projects. These projects should ensure maximum efficiency and relevant outcomes and should create synergy where feasible so that issues relating to the environment and natural-resource management in Algeria are properly addressed. This includes the formulation of a biodiversity strategy, a climate-change strategy, the preparation of a national action programme to combat desertification, and the strengthening of NGO capacity in natural-resource management.

Agreed actions

14. It was agreed that the UNDP office should increase its support to national institutions to strengthen their capacities and to develop their knowledge in the area of natural-resources protection. UNDP should support the Government in its efforts to implement national strategies and to promote NGOs. The advisory role of UNDP to the Government for all environmental aspects of development should be enhanced in order to develop North-South and South-South cooperation for SHD.

IV. Programme management

A. Programme approach

Conclusion

15. The country review found that the CCF contains many effective projects that respond to Government needs and priorities.

Recommendation

16. No specific recommendations have been made.

Agreed actions

17. In the absence of a detailed government sectoral strategy and programmes, it was nevertheless possible to implement the CCF based on the approval of individual project documents, as opposed to programme documents. To ensure both the internal coherence of this priority area and its coherence with other types of assistance (bilateral and multilateral), a short paragraph incorporated into each project document will summarize the ongoing and future activities of the Government, the United Nations system, and bilateral and multilateral partners.

B. National execution

Conclusions

18. Most of the programmes/projects of the first CCF are executed according to national execution procedures. The country office has provided support services through direct payments, purchase of equipment and expert recruitment. Project personnel still do not fully understand national execution modalities and procedures and as a result of the ill-defined responsibility of project managers, misunderstanding, hesitation and delays have ensued. This has had an adverse impact on project implementation.

Recommendations

19. The country review recommended the furthering national execution understanding through workshops, for all involved in order to strengthen national institutions and to reorganize the UNDP country office structure to enable it to respond properly to national execution requirements.

Agreed actions

20. UNDP and the Government have agreed that the country office will continue training sessions on national execution procedures. The transfer of national execution management responsibility to the Government will be done gradually. This implies that institutional obstacles (local legislation and procedures) will be reviewed and moved to enable full national execution implementation. The country office plans to carry out a survey of this transfer. If the findings are negative, the only alternative will be to establish a small national execution management unit

in Algeria, as is the practice in other countries. At this point in time and in compliance with the country review recommendation regarding the responsibilities of project managers, new terms of reference, which more clearly define their responsibilities, have been developed.

C. Resource mobilization

Conclusions

21. The resource mobilization strategy has favoured cost-sharing with the Government and the mobilization of GEF resources. Support from Canada to a rural development project has been noted as well.

Recommendations

22. UNDP and the Ministry of Foreign Affairs should associate the Ministry of Finance in the project design process and with all resource negotiations meetings. In its resource mobilization efforts, UNDP should further explore possibilities with Capacity 21 and the United Nations Development Fund for Women (UNIFEM) and through bilateral cooperation. The country review also recommended that an advocacy and communication plan be developed to increase UNDP visibility in the country in order to facilitate resource mobilization.

Agreed actions

23. UNDP and the Government have agreed that an effort should be made to seek external funding, as described in the country review recommendations, and that an advocacy and communication plan should be developed to support these efforts. Both also agreed that the Ministry of Finance should be associated with all cost-sharing negotiations since it is the one involved in making payments. The country office will update its resource-mobilization plan periodically.

D. Coordination and UNDP Support to the United Nations system

Conclusions

24. UNDP is playing a major role in the coordination of the programmes and projects of United Nations agencies. It is also providing assistance to United Nations agencies not represented locally and to those based in Algeria managing the United Nations House and the provision of common services.

Recommendations

25. UNDP should continue to arrange periodic coordination meetings with United Nations agencies to achieve greater complementarity among United Nations funded projects and to ensure better cooperation and the sustainable impact of project outputs. Strengthening the UNDP country office unit involved in national execution will enable national execution to respond better to project requests for services.

Agreed actions

26. It was agreed that UNDP would continue its coordination function through periodic meetings with the heads of United Nations agencies. Such coordination needs to be strengthened through the activities of the existing thematic groups (e.g., those on HIV/AIDS education, health and population), the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF).

E. More involvement of project beneficiaries

Conclusion

27. Certain beneficiaries are involved neither in the design of project documents nor in their implementation.

Recommendation

28. The country review recommends that beneficiaries of all projects be involved at all levels of a project's life (formulation, implementation and evaluation).

Agreed action

29. The country office and the Government concur with the recommendation which has already begun with the formulation of the community development project in the south of Algeria.

F. Strengthening and reinforcing cooperation and communication among projects to improve project efficiency

Conclusion

30. There is a lack of communication among project managers, and between them and the country office.

Recommendation

31. The country review has recommended the organization of periodic meetings among the country office, project managers and other concerned parties to share experiences, as well as constraints, resulting from the national context. Ad hoc meetings will be held to resolve specific problems. A clear decision-making process is to be established in project execution. The country review also recommended that junior staff benefit from the experience of senior staff in a systematic manner.

Agreed action

32. Information sessions for the benefit of project counterparts will be organized periodically to familiarize them with UNDP procedures. Tripartite reviews will take place in compliance with the guidelines. Senior UNDP staff will continue to play a key role by bringing their expertise to the decision-making process and thereby training junior staff. UNDP will give priority to the substantive activities of its programme officers rather than to administrative operations.

G. Enhanced visibility of UNDP

Conclusion

33. Many partners of UNDP are not familiar with the mandate of UNDP, its main areas of priority and its main areas of competence.

Recommendations

34. The country review has recommended that the strategy of intervention of UNDP, its mandate, its priority areas and its objectives should be made clear to its partners. It was also recommended that communication with all partners be strengthened to ensure the greater visibility of UNDP actions in the country.

Agreed actions

35. Given prevailing conditions, the country office has kept a low profile. If local security conditions permit, UNDP Algiers will be more visible in assisting conferences, workshops and seminars to ensure better communication and information about its programme in Algeria. A communication and advocacy strategy is being prepared to respond to the recommendation.

H. Better understanding of UNDP documents and procedures

Conclusion

36. In spite of the two workshops that were organized in the past on project formulation and implementation, the country review found that certain concepts and wording of project documents and other UNDP materials are still not well understood by some national project managers.

Recommendation

37. The country review has recommended that training of project personnel be continued and that a greater and better involvement of a few United Nations agencies be ensured in the execution of projects for which they have signed letters of agreement. The country review has also recommended that the Ministry of Foreign Affairs be considered a coordinating body, instead of an executing agency, in all project documents.

Agreed actions

38. The training of project personnel will be implemented. The country office and projects managers must adhere properly to the guidelines of the programme manual in the implementation of programmes/projects. In the future, simpler wording will be used in project documents.

Annex

Financial Summary

Country: Algeria
CCF period: 1998-2000
Period covered by the country review: 1998-1999

Regular resources	*Amount assigned for the CCF*[1]	*Amount planned for the period under review*	*Expenditure for the period under review*
	(Thousands of US dollars)		
Estimated IPF carry-over	2 525	3 873	1 711
TRAC 1.1.1 and TRAC 1.1.2 (60% of TRAC 1.1.1)	1 213	1 213	-
SPPD/STS	53	53	95
Subtotal	**3 791**	**5 139**	**1 806**

Other resources	*Amount targeted for the CCF*[2]	*Amount mobilized for the period under review*	*Estimated expenditure for the period under review*
	(Thousands of US dollars)		
Government cost-sharing	1 266	5 278	1 921
Third party cost-sharing	-	-	-
Sustainable development funds			
GEF	387	198	227
Montreal Protocol	-	1 842	-
Subtotal	**1 653**	**7 318**	**2 148**
Grand total	**5 444**	**12 457**	**3 954**

[1] Prorated for the period under review.
[2] Prorated for the period under review.
Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.